

## Message Text

UNCLASSIFIED

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ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 EB-07 XMB-04 AID-05 CIAE-00  
FRB-01 INR-07 NSAE-00 USIA-15 OPIC-06 SP-02 CIEP-02  
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 L-03  
H-02 PA-02 PRS-01 /101 W  
-----150055Z 045214 /60

R 141720Z JAN 77

FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 9502  
TREASURY DEPT WASHDC

UNCLAS LONDON 00698

PASS COMMERCE AND EXIM BANK; TREASURY FOR RYSS

E.O. 11652: N/A

TAGS: EFIN, UK

SUBJECT: ECGD EXPANDS STERLING COVER LIMITS AND PRE-  
PARES ITS FOREIGN CURRENCY FINANCE

REFS: (A) LONDON 20283, 1976; (B) LONDON 20291. 1976;  
(C) LONDON A-761, 1976

1. THE INTERNATIONAL FINANCE, TRADE AND AID BILL, PUBLISHED THURSDAY PROPOSES HIGHER LIMITS ON THE EXPORT CREDIT GUARANTEE DEPARTMENT'S (ECGD'S) STERLING COVER AND PROPOSES AN ADDITIONAL LARGE LIMIT ON FOREIGN CURRENCY COVER. THE LIMITATION ON STERLING COVER IS TO BE RAISED FROM 18.2 BILLION POUNDS TO 25 BILLION POUNDS WITH PROVISION FOR THREE ADDITIONAL INCREMENTS OF 5 BILLION POUNDS EACH, THE INCREMENTS REQUIRING PARLIAMENTARY APPROVAL. THE FOREIGN CURRENCY LIMITATION IS TO BE SDR 10 BILLION WITH PROVISION FOR PARLIAMENTARY APPROVAL OF INCREMENTS TO A TOTAL OF 25 BILLION POUNDS.

2. THE BILL'S PROVISIONS FOR ECGD'S POWERS IN SECURING  
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FOREIGN EXCHANGE FINANCE REFLECT THE PROPOSALS OF THE CHANCELLOR OF THE EXCHEQUER IN HIS DECEMBER 15 MINIBUDGET (REFA, B) AND EXCEED THOSE PERMITTED IN SECURING STERLING FINANCE (REF C). THE ECGD WILL BE ABLE TO OFFER CREDIT DIRECTLY TO FOREIGN BUYERS, RATHER THAN INDIRECTLY AS HERETOFORE BY GUARANTEEING OR REFINANCING BANK CREDITS. THE SDR 10 BILLION LIMITATION APPLIES TO ALL COVERED FOR-

EIGN CURRENCY FINANCE, WHETHER REPRESENTED BY A DIRECT  
ECGD CREDIT OR NOT.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, CREDIT, FINANCIAL PROGRAMS, CURRENCY CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 14-Jan-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LONDON00698  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 LONDON 20283, 77 LONDON 20291, 77 LONDON A-761  
**Retention:** 0  
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**Review Event:**  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 3598185  
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**Status:** NATIVE  
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**TAGS:** EFIN, UK  
**To:** STATE TRSY  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009